

SENATE BILL REPORT

SB 5509

As Reported by Senate Committee On:
Transportation, February 19, 2009

Title: An act relating to clarifying rental car company charges, surcharges, and fees to be included in rental car agreements.

Brief Description: Clarifying rental car company charges, surcharges, and fees to be included in rental car agreements.

Sponsors: Senators Marr, Kauffman and Shin.

Brief History:

Committee Activity: Transportation: 2/18/09, 2/19/09 [DPS, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5509 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Jarrett, Kastama, Kauffman, Kilmer, King, Ranker and Sheldon.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton.

Staff: David Ward (786-7341)

Background: Under current law, rental car companies are not required, nor are they prevented from, separately identifying fees or surcharges that are imposed in addition to the rental rate and applicable rental car taxes.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): Rental car companies may include separately stated surcharges or fees in their rental agreements.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

If a rental car company does include a separate vehicle license cost recovery fee in a transaction, the fee must represent the company's good faith estimate of the average daily charge to recover actual, total annual titling, registration, plating, and inspection costs.

If the vehicle cost recovery fee imposed is found to exceed the actual costs for that calendar year, the rental car company can retain that amount but must adjust the 'vehicle cost recovery fee' for the following calendar year by the corresponding amount.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill would provide full disclosure and transparency of "vehicle cost recovery fees" included in car rental agreements. The proposal would also allow for full cost recovery to an industry that purchases 1.8 million new cars annually.

Persons Testifying: PRO: Gordon Walgren, Shane Skinner, Enterprise Rent A Car; Jeff Gombosky, Vanguard Automotive Group.